

1 DRUGS, LAW ENFORCEMENT AND FOREIGN POLICY:

2 CENTRAL AMERICA

3
4 WEDNESDAY, JULY 15, 1987

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6 United States Senate

7 Committee on Foreign Relations

8 Subcommittee on Terrorism,

9 Narcotics and International

10 Operations

11 Washington, D.C.

12 The Subcommittee met at 2:15 p.m. in Room SD-419, Dirksen
13 Senate Office Building, Hon. John Kerry [Chairman of the
14 Subcommittee] presiding.

15 Present: Senator Kerry.

16 Also Present: Jack Blum, Subcommittee Staff.

17 Also Present: Sheldon Yavitz, Esq., Miami, Florida,
18 counsel to Jorge Morales.

19 Senator Kerry: The hearing will come back to order.

20 We will proceed, as I said before the break, with a
21 completion of some of the testimony in open session, and then
22 we will go into closed session to pursue some of the issues
23 that came up earlier.24 Let me just come back to one or two areas quickly, and
25 then I want counsel to pursue the area that he was beginning

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1 to pursue before the break, and then I will come back at the
2 end.

3 Just quickly, Mr. Morales, isn't it a fact that you
4 during 1984 and '5, you continued to give money to the contra
5 figures you've identified because you personally believed
6 that your case was going to be assisted by doing that? Is
7 that accurate?

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1 TESTIMONY OF JORJE MORALES

2 Mr. Morales: Yes, it is.

3 Senator Kerry: How did you come to believe that your
4 case pending before the federal court could be affected by
5 these actions?

6 Mr. Morales: Because it is a fact that eventually, after
7 I started doing business, if you want to call it that --

8 Senator Kerry: Again, let me ask you to speak close to
9 the microphone and speak slowly and clearly.

10 Mr. Morales: Because right after the fact that I had the
11 meeting with these gentlemen, it was a fact that I see my
12 case going away. I used to know in advance what was going to
13 be happening in court.

14 Senator Kerry: In court?

15 Mr. Morales: Yes. They used to tell me about it.

16 Senator Kerry: How would you know in advance what would
17 happen?

18 Mr. Morales: They used to tell me about it.

19 Senator Kerry: Who would tell you?

20 Mr. Morales: Octaviano. Yes, Octaviano.

21 Senator Kerry: He would tell you what was going to
22 happen to your case?

23 Mr. Morales: Yes.

24 Senator Kerry: Did the things he tell you in fact
25 happen?

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1 Mr. Morales: Every one of them.

2 Senator Kerry: Specifically what?

3 Mr. Morales: That they were going to postpone the case,
4 that many times that I have a meeting with him we
5 specifically sit down and talk about the case, and one time
6 he told me, toward the end of 1985 -- 1984, I'm sorry, that
7 he was going to talk directly with the Washington people. He
8 mentioned a few names.

9 He came back and had a meeting with me and we have the
10 meeting again in which he assured me that it was going to be
11 no problem whatsoever.

12 Senator Kerry: When you say he mentioned names, without
13 mentioning the names, did he mention the names of people in
14 law enforcement or in politics?

15 Mr. Morales: Politics.

16 Senator Kerry: Elected officials?

17 Mr. Morales: Yes.

18 Senator Kerry: Okay.

19 Mr. Morales: And also in law enforcement.

20 Senator Kerry: Also what?

21 Mr. Morales: Law enforcement.

22 Senator Kerry: Now, during 1984 when you were helping to
23 ship weapons to Costa Rica, were you aware at that time of
24 other supply efforts to the contras?

25 Mr. Morales: Some of them, yes.

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1 Senator Kerry: Which ones?

2 Mr. Morales: Some of the people in the business were
3 helping the contras.

4 Senator Kerry: Like who?

5 Mr. Morales: Helping the same group of people, the same
6 group of contra leaders in Costa Rica.

7 Senator Kerry: But who were the people that were helping
8 them?

9 Mr. Morales: Senator, I believe we've already been
10 through the same question and we were supposed to have that
11 in closed session, as is customary.

12 Senator Kerry: Okay, so that falls in that group of
13 names that you want to talk about.

14 Mr. Morales: Yes.

15 Senator Kerry: During that period of time, were you
16 aware of Southern Air Transport?

17 Mr. Morales: No, sir.

18 Senator Kerry: You never had any contact with Southern
19 Air Transport?

20 Mr. Morales: None whatsoever.

21 Senator Kerry: Were you ever asked to aid in any of the
22 resupply efforts other than the weapons, any of the flights
23 that resupplied contras over Nicaragua itself?

24 Mr. Morales: Besides the ones I did myself, the ones I
25 did?

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1 Senator Kerry: Well, did you fly flights over
2 Nicaragua?

3 Mr. Morales: No.

4 Senator Kerry: So besides the flights that you flew
5 weapons, did you ever fly any other supply missions?

6 Mr. Morales: No.

7 Senator Kerry: Were you aware of other supply missions?

8 Mr. Morales: Yes.

9 Senator Kerry: And how were you aware of them?

10 Mr. Morales: Through them. They disclosed many times
11 about the situation and other groups of people helping them
12 out in the same effort.

13 Senator Kerry: Did they ever mention the name of General
14 Secord?

15 Mr. Morales: Not to my recollection.

16 Senator Kerry: Or of Oliver North or any of the other
17 individuals?

18 Mr. Morales: No.

19 Senator Kerry: What about Rob Owen?

20 Mr. Morales: Yes.

21 Senator Kerry: They mentioned the name of Rob Owen?

22 Mr. Morales: Yes, they did.

23 Senator Kerry: Who mentioned the name? What were the
24 circumstances of that?

25 Mr. Morales: That he was in charge of, to help square

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1 away the situation between the government of the United
2 States, the embassy, and the contras in Costa Rica.

3 Senator Kerry: When was that? Let's be more precise
4 here.

5 Mr. Morales: 1984, late 1984.

6 Senator Kerry: Was this in one of the meetings with the
7 leaders with Chammoro and --

8 Mr. Morales: Yes, with Chammoro.

9 Senator Kerry: And how did his name come up?

10 Mr. Morales: I really do not recall, Senator.

11 Senator Kerry: But you recall his name being raised?

12 Mr. Morales: Yes, I do recall it. He was talking this
13 particular thing.

14 Senator Kerry: Did you ever meet him?

15 Mr. Morales: Not that I know of.

16 Senator Kerry: Did you ever have any dealings with him?

17 Mr. Morales: No. And I have seen him in so many
18 meetings that I have with so many American people in Costa
19 Rica, so I do not recall specifically talking to him, no.

20 Senator Kerry: Did any of your pilots additionally fly
21 for other people besides you, or were they exclusively flying
22 missions for you?

23 Mr. Morales: No, they did fly for some other people.

24 Senator Kerry: They did. Did they also fly for
25 themselves?

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1 Mr. Morales: Yes, they did, some of them they did. Some
2 of them not.

3 Senator Kerry: Now, when you flew -- strike that.

4 Did you know how to evade the surveillance of the Coast
5 Guard and others, Drug Enforcement, et cetera?

6 Mr. Morales: Yes, we did.

7 Senator Kerry: Can you describe that to us? What were
8 the measures that you had to take to avoid detection, and how
9 did you know about them?

10 Mr. Morales: It was not that much measures to avoid the
11 surveillance.

12 Senator Kerry: Say that again?

13 Mr. Morales: It was not that much to do about it. It
14 was very easy for us to do it.

15 Senator Kerry: Why was it easy?

16 Mr. Morales: Because we knew the frequency. We knew how
17 to get in and out. As a matter of fact, that was the main
18 point, to get in.

19 Senator Kerry: In where?

20 Mr. Morales: In United States.

21 Senator Kerry: How would you get into the United
22 States?

23 Mr. Morales: By boat, by plane.

24 Senator Kerry: But did you have -- wasn't the Coast
25 Guard patrolling?

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1 Mr. Morales: Yes.

2 Senator Kerry: How did you avoid the Coast Guard
3 patrol?

4 Mr. Morales: We had frequencies on every one of them
5 locally, agencies.

6 Senator Kerry: You had every one of the frequencies?

7 Mr. Morales: Every one of them.

8 Senator Kerry: Did you have similar radio equipment?

9 Mr. Morales: Yes, we did.

10 Senator Kerry: And how did you get those radio
11 frequencies?

12 Mr. Morales: You just can buy them in a store. You can
13 buy them in any store, any radio store.

14 Senator Kerry: You can buy the radio?

15 Mr. Morales: In any radio store, like Radio Shack.

16 Senator Kerry: How did you know what frequency to tune
17 the radio into?

18 Mr. Morales: I was given by some of the contras, I was
19 given by some of the Cuban people, and also through a foreign
20 country, which pretty soon we're going to go to that one in
21 closed session.

22 Senator Kerry: Now, let's divide this up carefully and
23 precisely. You say some of the frequencies were given to you
24 by Cuban people?

25 Mr. Morales: Yes.

1 Senator Kerry: Coast Guard frequencies were given to you
2 by the Cubans?

3 Mr. Morales: Coast Guard, Secret Service, DEA, police,
4 Immigration, Customs.

5 Senator Kerry: All by the Cubans?

6 Mr. Morales: Yes.

7 Senator Kerry: What frequencies did the contras give
8 you?

9 Mr. Morales: Some of the Customs and local police in
10 Miami.

11 Senator Kerry: Did you have special frequencies in the
12 countries you landed in?

13 Mr. Morales: Yes, we did.

14 Senator Kerry: Who arranged for you to have those
15 frequencies?

16 Mr. Morales: I did.

17 Senator Kerry: How did you get them?

18 Mr. Morales: I have a code. It's in the radio. You
19 just put the code.

20 Senator Kerry: How did you get the code?

21 Mr. Morales: You just put it in the radio, and
22 previously to flying you arrange that.

23 Senator Kerry: Who gave it to you, the code?

24 Mr. Morales: I did.

25 Senator Kerry: But you can't make up a code if somebody

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1 else doesn't understand what it means.

2 Mr. Morales: Oh, yes. You can put it in the radio.

3 It's like a transponder.

4 Senator Kerry: Transponder?

5 Mr. Morales: You can put the numbers 113 or 103 or 133,
6 and that's all.

7 Senator Kerry: But did somebody in Costa Rica tell you,
8 these numbers will work?

9 Mr. Morales: I had them and I gave them to Popo and to
10 Geraldo. They used to do the arrangements.

11 Senator Kerry: What other countries besides Costa Rica
12 and the Bahamas did you fly into?

13 Mr. Morales: With drugs? With and without it?

14 Senator Kerry: To get drugs.

15 Mr. Morales: Colombia.

16 Senator Kerry: And any others?

17 Mr. Morales: Haiti.

18 Senator Kerry: Any others?

19 Mr. Morales: No.

20 Senator Kerry: So the Bahamas, Haiti, Colombia?

21 Mr. Morales: And Costa Rica.

22 Senator Kerry: And Costa Rica.

23 Now, did you also have a special frequency that you --
24 did you communicate by special telephone with the leaders?
25 Did you have some special means of communication?

1 Mr. Morales: Yes.

2 Senator Kerry: Or was it just by regular telephone?

3 Mr. Morales: Yes, I did, I had a special frequency,

4 Cinco Sarban 153.

5 Senator Kerry: Where was this based?

6 Mr. Morales: It was based in the north. They have a few
7 bases. They have one in the north and south of Costa Rica,
8 and they have one in the main house, in the main safety
9 house, also in San Juan, Costa Rica.

10 They had a few of them inside Nicaragua. I remember
11 talking to Mr. Chammoro from inside Nicaragua or the border,
12 the river. Sometimes the communications was bad; we'd have
13 to use the phone.

14 Senator Kerry: Were these telephone communications you
15 made when you were in Costa Rica or in the air or in Miami?

16 Mr. Morales: I was in my office, in my home.

17 Senator Kerry: In Miami?

18 Mr. Morales: Yes.

19 Senator Kerry: Did you have a special antenna in your
20 office?

21 Mr. Morales: Yes, I did.

22 Senator Kerry: And a special radio system?

23 Mr. Morales: Yes, I did, the same equipment that I have
24 in the planes, too.

25 Senator Kerry: All right. Let me let counsel proceed

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1 here for a while and we will come back.

2 Mr. Blum: Before we broke for lunch, I was beginning to
3 ask you about a trip in 1984, December of 1984, from Costa
4 Rica to Great Harbor in the Bahamas. I would like to go back
5 to the origins of that trip.

6 You said you had a meeting in Costa Rica in a hotel, is
7 that correct?

8 Mr. Morales: Yes, I did. That was late 1984, December
9 the 20th.

10 Mr. Blum: And who was present in that meeting of
11 December 1984?

12 Mr. Morales: I had several meetings. There was Popo --

13 Mr. Blum: Popo Chammoro?

14 Mr. Morales: Popo Chammoro. There was Mr. Octaviano
15 Cesar, Commandante Tito, Carlo Prado.

16 Mr. Blum: Carlo Prado.

17 Mr. Morales: And about probably six or eight pilots,
18 Costa Rican pilots.

19 Mr. Blum: Were drugs discussed at those meetings?

20 Mr. Morales: Yes, we did.

21 Mr. Blum: And what was the discussion? Was it that
22 drugs were going to be brought back into the United States?

23 Mr. Morales: Yes.

24 Mr. Blum: Who was to supply those drugs?

25 Mr. Morales: I do not have no idea, other than the

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1 contras.

2 Mr. Blum: In other words, the group -- from that group,
3 there would be drugs given to you?

4 Mr. Morales: Yes. I would make one point in that
5 situation. I had never used Costa Rica for fuel stop. Every
6 one of the trips that I went to Costa Rica with the contras,
7 they were supplying the drugs. I was never supplying the
8 drugs.

9 I didn't need to go all the way to Costa Rica, because I
10 had my suppliers directly from Colombia.

11 Mr. Blum: So they told you that there were drugs, those
12 drugs were drugs they wanted to get into the U.S. Was there
13 one specific person in the group who talked about it?

14 Mr. Morales: No.

15 Mr. Blum: It was a general conversation?

16 Mr. Morales: General conversation.

17 Mr. Blum: How much cocaine did then get delivered to you
18 to put on the plane?

19 Mr. Morales: That day, 320 kilos. There were two
20 trips. There was some confusion over there. It was 161 in
21 one trip and 320 in another trip.

22 Mr. Blum: All right. Now, what was the first trip?

23 Mr. Morales: It was 160 kilos.

24 Mr. Blum: And that trip started from what airport?

25 Mr. Morales: It started from Costa Rica to Great Harbor,

1 the Bahamas.

2 Mr. Blum: And did it get to Great Harbor?

3 Mr. Morales: Yes. That was in the beginning in 1985,
4 the very beginning.

5 Mr. Blum: What was the plane that was used, do you
6 recall?

7 Mr. Morales: Yes, it was a Titan.

8 Mr. Blum: And do you know who the pilot was?

9 Mr. Morales: It was Mr. Geraldo Duran.

10 Mr. Blum: And what happened to the drugs after the plane
11 was unloaded at Great Harbor?

12 Mr. Morales: I took the drugs and I was there, and I
13 sent them to Miami, actually sent it to Miami. I was aware
14 -- I was present at the time when the plane landed. I took
15 the precautions that needed to be done. I flew back to
16 Miami, and later on I received the drugs in Miami.

17 Mr. Blum: You then took possession of the drugs in
18 Miami?

19 Mr. Morales: Not myself, the people who used to work for
20 me.

21 Mr. Blum: Your organization.

22 Mr. Morales: Yes.

23 Mr. Blum: Your organization sold those drugs?

24 Mr. Morales: Yes, we did.

25 Mr. Blum: And what happened to the money which was the

1 proceeds of this sale?

2 Mr. Morales: We sent the money to the contras.

3 Mr. Blum: And who took that money for the contras?

4 Mr. Morales: Different pilots. Francesco Ugalde. We
5 used to call him General Franco.

6 Mr. Blum: And that was taken in the form of cash out of
7 the United States on later flights?

8 Mr. Morales: Cash, and some other money was taken by
9 Geraldo through the international airport.

10 Mr. Blum: Let me go to the second flight from Costa
11 Rica. Again, was that a flight to Great Harbor, December
12 1984? You said 200 some kilos?

13 Mr. Morales: No, it was early 1985.

14 Mr. Blum: That was early 1985.

15 Mr. Morales: The plane, the 666, crashed, I believe, I
16 understand..

17 Mr. Blum: That crashed?

18 Mr. Morales: I understand that.

19 Mr. Blum: All right. Was there ever another flight from
20 Costa Rica to Great Harbor involving cocaine?

21 Mr. Morales: December 1985 and January 1985 -- 1986, I'm
22 sorry.

23 Mr. Blum: Okay. Apart from 1986, then, there were a
24 total of two flights with cocaine?

25 Mr. Morales: More than two. There were two in July,

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1 July-August. It was 1984. There was one in December -- no,
2 I am sorry.

3 Mr. Blum: We just talked about 100 kilos of cocaine.

4 Mr. Morales: No, 160.

5 Mr. Blum: 160.

6 Mr. Morales: 161, to be exact. 161, 163. I'm not --
7 that was in the earlier 1985.

8 Mr. Blum: Earlier 1985?

9 Mr. Morales: Yes, very early. After that, we did in
10 1985 another flight, 27th of December, from Costa Rica to
11 Great Harbor.

12 Mr. Blum: And how much was on that flight?

13 Mr. Morales: We didn't fly -- we didn't make a flight
14 Otonorundo Airport to Great Harbor.

15 There were 421 kilos.

16 Mr. Blum: And what happened to that flight?

17 Mr. Morales: The pilot for some reason flew over
18 Nicaragua and had some problems with the air force in
19 Nicaragua. Therefore, he had to come back to the same
20 field.

21 After that, that was when I told my man to get a new
22 pilot, and --

23 Mr. Blum: That's when you had a pilot who was a DEA
24 informant?

25 Mr. Morales: That's right, and he picked up 415 kilos.

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1 There were eight missing in the runway because when the plane
2 came back it took a little time for the people to get it all
3 squared away, to recuperate the merchandise.

4 Mr. Blum: Now I would like to go back to the question of
5 your knowledge and meeting with John Hull and your awareness
6 with John Hull. When did you first hear about John Hull?

7 Mr. Morales: Early in 1980, '81.

8 Mr. Blum: What did you hear about him and who did you
9 hear it from?

10 Mr. Morales: I hear it from Colombian friends, which the
11 situation is that they like to go between different areas,
12 rather than to go from Colombia directly to the Bahamas. So
13 they look for places to stash the merchandise, points for
14 fuel stops.

15 And that's when I became aware of Mr. John Hull. That
16 was by 1981.

17 Mr. Blum: So you heard of him from associates in
18 Colombia, that his ranch was a facility for refueling and
19 storing drugs, refueling drug flights, is that correct?

20 Mr. Morales: It is very well known, that fact.

21 Mr. Blum: Now, when did you first see him? You
22 mentioned the office, your office.

23 Mr. Morales: That was in July, June of 1983.

24 Mr. Blum: And what was he doing there, again?

25 Mr. Morales: He was with Mr. Gustavo Velez, a Colombian

1 friend of mine.

2 Mr. Blum: What was the purpose?

3 Mr. Morales: The purpose was to deliver to Salvador --
4 it was a discussion to Salvador, Costa Rica. We had 48
5 grenade launchers. I put 40 in the plane and the plane took
6 off towards Salvador with grenade launchers in some boxes.

7 Mr. Blum: In other words, he wanted to ship 40 grenade
8 launchers from Opaloca to El Salvador?

9 Mr. Morales: I did.

10 Mr. Blum: And your cargo airline -- you were also in the
11 air charter business -- flew those grenade launchers for him,
12 is that correct? -

13 Mr. Morales: Yes, we did.

14 Mr. Blum: And you didn't personally meet him, but you
15 knew that that shipment occurred?

16 Mr. Morales: I saw him right in the lobby of my office.
17 I did not introduce -- I was not introduced to him formally.
18 I didn't want to. The purpose of him being here was to be
19 introduced to me. I did not want whatsoever to talk to him.

20 Mr. Blum: To your knowledge, was there an export license
21 for the grenade launchers?

22 Mr. Morales: No, there was not.

23 Mr. Blum: Do you know where the grenade launchers came
24 from?

25 Mr. Morales: I do not recall if we bought them or if it

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1 was given by Gustavo. I recall having the grenade launchers
2 in a warehouse that I used to have on 135th Street and 17th
3 Avenue, Miami.

4 Mr. Blum: These were grenade launchers that came out of
5 your supply?

6 Mr. Morales: I do not recall if we bought them or
7 Gustavo supplied them. I do recall that we had the grenade
8 launchers in my warehouse.

9 Mr. Blum: And when did you next see John Hull?

10 Mr. Morales: 1984, December.

11 Mr. Blum: And where was that?

12 Mr. Morales: In Carlare Hotel, Costa Rica.

13 Mr. Blum: Did you actually meet him on that occasion?

14 Mr. Morales: No. I saw him right in the bar on the
15 pool.

16 Mr. Blum: You were sitting with your group of people
17 talking?

18 Mr. Morales: He was right there.

19 Mr. Blum: He was sitting at the same bar, but you never
20 in fact met him?

21 Mr. Morales: Right, in the same bar.

22 Mr. Blum: Your pilots did report to you, however, that
23 they flew to his ranch, is that correct?

24 Mr. Morales: Yes, many times.

25 Mr. Blum: And refueled there and returned back to the

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1 United States?

2 Mr. Morales: They did.

3 Senator Kerry: At this point in time, we are going to
4 recess long enough to let me get to the floor and vote and
5 return. We will stand in recess until I get back.

6 [Recess.]

7 Senator Kerry: We will reconvene. The hearing will come
8 back to order.

9 We intend to proceed a little further here. Let me just
10 take a moment, if I can, for you people to give you a sense
11 of where we're going here.

12 I would obviously like to be able to proceed with a
13 series of hearings as rapidly as possible. But we have some
14 limitations in staff and ability to be able to pursue all the
15 leads that we have as rapidly as we would like. But we do
16 intend to hold further hearings.

17 Earlier this morning, Senator McConnell alluded to some
18 hearings potentially next week. As some of you know, we had
19 an individual testify in closed session a little over a week
20 ago. It may or may not be possible to have that session open
21 to the public.

22 It is my hope certainly to be able to do so as fast as
23 possible; in addition, to be able to have additional
24 witnesses, no matter what they may or may not have to say.

25 But I want to emphasize that these hearings are obviously

1 incomplete, and there is no pretention on the part of the
2 Chairman or, I think, any member of this Committee to
3 insinuate or to leave a perception in anybody's mind that one
4 story is somehow fait accompli as to the entire picture. It
5 is not.

6 There is much yet to be discovered, much to be
7 corroborated, much work to be done.

8 But I also want to point out to the members of the press
9 and observers that this is not the first witness who has made
10 very serious allegations, which follow a pattern of how a
11 fervor to put into place supply lines to the contras and how
12 a fervor to keep them alive at any cost may have opened up
13 channels for abuse of other sorts.

14 I emphasize at this point that there is no evidence that
15 some high-ranking official in the Administration or elsewhere
16 approved of that. But that's not the issue. No allegation
17 has ever been made that someone specifically approved.

18 But if a particular policy results in actions being taken
19 the derivatives of which are a significant flow of narcotics
20 into this country, we obviously ought to be deeply concerned
21 about that.

22 And whether it was the aberrations of a few or whether it
23 was a systematic process of the many that came about as a
24 consequence of clandestine operations that permitted easy
25 access in and out of the country, egress and access, we

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1 obviously have to be concerned about the results of that, and
2 I am concerned about it.

3 And if it has facilitated the flow of drugs into the
4 streets of the United States, into our communities, affected
5 our kids and adults and others in this country with further
6 addiction and other problems, it is clearly something to be
7 deeply concerned about, whether it is an aberration, a
8 derivative or a systemic process.

9 That is why this Committee is so concerned about it and
10 why we're pursuing it.

11 There's another reason we're deeply concerned. We went
12 through a battle over certification for the Bahamas as to
13 full cooperation in anti-drug trafficking efforts. Other
14 countries clearly make decisions and policies that affect us,
15 and we make decisions that affect them.

16 It seems to me that if whole economies of other countries
17 are based on narcotics trafficking, if newspapers are bought
18 and sold or television stations, if political campaigns are
19 contributed to through the proceeds of narcotics trafficking,
20 and a narcotics cartel grows to have power which can affect
21 the outcome of those elections, as well as decisions made by
22 existing governments, we're in trouble, all of us.

23 And I think before these hearings are over we're going to
24 see a pattern which is going to be very, very disturbing
25 about the degree to which policies and government decisions

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1 and international affairs have in fact come to be controlled
2 by those who are in the narcotics traffic, about the degree
3 to which there is a sub-institutional network which is
4 destroying the fabric of institutions which we overtly
5 embrace, and finally the degree to which a narco-dollar, a
6 narco-dollar, is beginning to become an important player in
7 the lives of too many institutions which are supposed to be
8 immune to it.

9 I hope that that will ultimately be the benefits of these
10 hearings, that it will help us and guide us in our policy
11 decisions regarding these matters.

12 Now, coming back, Mr. Morales, before we go into
13 executive session I'd like to ask you some broader questions,
14 if I can, about that.

15 You have said to us that you knew of other narcotics
16 dealers who were also assisting the contras. Were they
17 assisting them by supplying weapons or cash?

18 Mr. Morales: Weapons and cash.

19 Senator Kerry: And cash, both?

20 Mr. Morales: Both.

21 Senator Kerry: Over what period of time did this take
22 place?

23 Mr. Morales: 1984, that I'm aware of.

24 Senator Kerry: And is that because that was the time
25 when they were under the most pressure to survive?

1 Mr. Morales: I really cannot tell about that.

2 Senator Kerry: You don't know that. But that's when you
3 became most aware of it?

4 Mr. Morales: Yes.

5 Senator Kerry: Regarding political contributions, do you
6 ever make contributions to political campaigns?

7 Mr. Morales: Yes, I did.

8 Senator Kerry: Did you make contributions with narcotics
9 collars, with the profits from your --

10 Mr. Morales: Yes, I did.

11 Senator Kerry: Did you make those through other people?

12 Mr. Morales: Through other people and directly.

13 Senator Kerry: Were they in this country and elsewhere?

14 Mr. Morales: They were in different countries than
15 this.

16 Senator Kerry: And this country?

17 Mr. Morales: No, not this one.

18 Senator Kerry: Did you contribute to any of the local
19 campaigns in Miami?

20 Mr. Morales: No.

21 Senator Kerry: Did you involve yourself in the
22 presidential elections of any countries?

23 Mr. Morales: Yes, I did.

24 Senator Kerry: In which countries?

25 [Pause.]

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1 Mr. Yavitz: We would prefer to discuss that matter in a
2 closed session. Even the mention -- I think he is rather
3 worried as to the mention of the country.

4 Mr. Morales: Rather than the people.

5 Senator Kerry: Well, I think that it seems to me that
6 the mention of the name of the country does not articulate
7 which party or which side or which candidate you may have
8 participated with. But I think it's fair for us to have an
9 indication of which presidential race and which country.

10 Mr. Morales: I did participate in Haiti, the Bahamas, in
11 Costa Rica.

12 Senator Kerry: All right, three countries.

13 Mr. Morales: Yes.

14 Senator Kerry: All right. We will pursue in executive
15 session the time frames of that and which individuals and
16 decide later whether or not we will release that.

17 Can you tell us the sum of money, however, that you made
18 available in each of those countries?

19 Mr. Morales: How much money it was?

20 Senator Kerry: How much money was involved in your
21 participation in Haiti? How much money was involved?

22 Mr. Morales: I do not know how much in Haiti. I do not
23 recall. I can tell roughly in the Bahamas and Costa Rica.

24 Senator Kerry: All right. In the Bahamas, approximately
25 how much money was involved?

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1 Mr. Morales: It was quite a few, because I've been
2 following these gentlemen for many years and contributed to
3 them a lot of money.

4 Senator Kerry: Approximately? In the thousands, hundred
5 thousands?

6 Mr. Morales: Hundred thousand, yes, a lot more than
7 that.

8 Senator Kerry: 100,000, 200?

9 Mr. Morales: No, more than that.

10 Senator Kerry: A million?

11 Mr. Morales: No, I would say probably around a figure,
12 probably \$600,000 maybe.

13 Senator Kerry: How much?

14 Mr. Morales: 600, maybe more.

15 Senator Kerry: 600,000, somewhere in that vicinity.

16 And was this money contributed specifically for election
17 purposes, or was it contributed as part of your process of
18 going business there?

19 Mr. Morales: Both.

20 Senator Kerry: Both.

21 Mr. Morales: To buy the protective situation in that
22 country for the narcotics, the narcotics business.

23 Senator Kerry: And how much money in Costa Rica?

24 Mr. Morales: \$200,000.

25 Senator Kerry: We will go into greater depth with that

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1 afterwards.

2 With respect to the effort with the contras, there came a
3 time when you realized your case wasn't going to be affected,
4 is that correct?

5 Mr. Morales: Yes, it was.

6 Senator Kerry: When was that?

7 Mr. Morales: Late 1986 -- I'm sorry. Yes, 1986.

8 Senator Kerry: Had you already stopped doing the
9 trafficking at that time between the contra leaders and
10 yourself?

11 Mr. Morales: Senator, let me specify that it was two
12 times. It was late 1985 and also there was another process
13 in 1986 as well.

14 Senator Kerry: And is that when you decided to stop
15 participating in that?

16 Mr. Morales: I decided to stop participating in that
17 contra effort in 1985, in the end. And I didn't do any more
18 business with them in 1986, but I felt that I should draw
19 back from that effort because it was not going to go nowhere,
20 especially in 1986, when I was arrested and indicted again.
21 I knew the whole thing was gone.

22 Senator Kerry: Okay. If you could speak slowly and
23 clearly there, so we could follow each word, that would be
24 helpful.

25 Mr. Morales: Especially in 1986, when I was arrested

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1 again, so I feel that the whole situation was, sort of
2 speaking, gone for me to try to help the contras.

3 Senator Kerry: Did you personally support the contras?

4 Mr. Morales: Yes, I did.

5 Senator Kerry: You still do?

6 Mr. Morales: No, not any more.

7 Senator Kerry: Is there a reason for that?

8 Mr. Morales: Well, I'm incarcerated. I don't have any
9 more money.

10 Senator Kerry: No, but I mean, but if you had money you
11 would still be willing to help?

12 Mr. Morales: The truth, yes.

13 Senator Kerry: What happens? What do you say to --

14 Mr. Morales: Let me clarify that point, Senator. Not
15 the same contra leaders, which some of them are just trying
16 to look for power and trying to fight in between them, who's
17 the one that's going to get the signature on the check.

18 I would probably help the contra effort, the war against
19 communism, as well as anybody else living in a democracy in
20 the same way that we live, not directed to the same contra
21 leaders or to someone which I don't believe what they do.

22 Senator Kerry: Now, somebody's going to come in here
23 some time, privately or otherwise, maybe publicly, and say
24 Jorge Morales is lying.

25 Mr. Morales: Senator, I suppose they are going to, but I

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1 have to remind you that I am testifying under oath, and I'm
2 telling you the truth. And I'm willing to go through any
3 polygraph test whatsoever to prove that what I am saying is
4 the truth.

5 Besides that, I have several other people, other persons
6 through which I engaged this effort to support the contras.
7 Some of them belong to the contras. They are willing also to
8 tell you the way it was.

9 Senator Kerry: And you're going to share with us their
10 names in closed session?

11 Mr. Morales: Yes, sir.

12 Senator Kerry: And you're willing to make available to
13 us the documents that helped to support these statements that
14 you've made?

15 Mr. Morales: Definitely, sir.

16 Senator Kerry: Well, Mr. Morales, I want to thank you
17 for the public portion of your testimony, and we are going to
18 now go into closed executive session in order to discuss some
19 of these matters further.

20 So we will recess for about five minutes while we clear
21 the room of the television and audio equipment in order to be
22 able to do that. In fact, we are going to go into the back
23 room here, so if we could move you into the back room we will
24 do that.

25 We stand recessed until we reconvene in executive

1 session.

2 [Whereupon, at 3:07 p.m., the Subcommittee proceeded in
3 executive session.]
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